

180 EAST 100 SOUTH

ALAN K. ALLRED DIRECTOR, RATES

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September 5, 1997

RECEIVED

Ms. Julie Orchard **Utah Public Service Commission** Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84110

Dear Ms. Orchard:

Re: Mountain Fuel's Monthly Report of

Intercompany Loan Activity as Required by the Commission in its Order in Case No. 85-057-09

Enclosed for filing with the Commission are three copies of forms showing Mountain Fuel Supply Company's intercompany loan activity in July. The forms show that Mountain Fuel has loaned Questar \$0.00 as of July 31, 1997. Also enclosed are three copies of the computation of the intercompany interest rates for August 1997.

If there are any questions or if the Company can provide additional information, please let me know.

Sincerely,

Alan K. Allred

AKA/edz **Enclosures**



MOUNTAIN FUEL SUPPLY COMPANY

INVESTMENT REGISTER — LOANS TO QUESTAR CORPORATION

DATE OF LOAN	LENGTH OF NOTE	DATE OF REPAYMENT	INITIAL INTERCOMPANY INTEREST RATE	AMOUNT OF LOAN	CURRENT BALANCE
6/15/95	90 day	Lla		(2,700,000)	3,600,000
6/16/95	90 day	6/19/95	6.11	200,000	026,003,5
6/17/95		6/9/12/3/19/14		(3,800,000)	(3)
6/23/95	90 day	<u> </u>	6.11	1,000,000	100000
6/27/95	90day		6.11	1,300,000	Z (199) 509
6/28/95	90 day		6.11	cac, cac 8	2, 388 553
6/29/95		6/23,27,24		(2,600,000)	· <u> </u>
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The intercompany interest rate calculation for the month of August, 1997 is shown below:

Market Borrowing Rate (1 month)	5.83%
Market Investment Rate (1 month)	<u>5.55</u> %
	11.38%
Intercompany Interest Rate (Average)	<u>5.69</u> %